

ORIGINAL

Decision No. 54624

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
into the rates, rules, regulations,)
charges, allowances and practices of)
all common carriers, highway carriers)
and city carriers relating to the)
transportation of uncrated new fur-)
niture (commodities for which rates)
are provided in Minimum Rate Tariff)
No. 11-A).)

Case No. 5603
(Petition No. 2)

James Quintrall, for Western Motor Tariff
Bureau, interested party.
R. C. Fels, for Furniture Manufacturers
Association of Southern California,
interested party, rather than for Crocker
Mohawk Lines, Inc., respondent.
Norman B. Haley and Jean M. Jenkins, for the
Commission's staff.

(See Decision No. 51582 for other appearances)

SECOND INTERIM OPINION

In its petition filed February 18, 1955, California Trucking Associations, Inc., alleged that the rates and charges provided in Minimum Rate Tariff No. 11-A when first established were, and now are, generally noncompensatory and unreasonably low and that the entire structure of rates and charges provided in said tariff needs modification, adjustment and revision in order to provide just, reasonable and nondiscriminatory minimum rates for the transportation of uncrated new furniture.

Following hearings held in March, 1955, the Commission issued an interim order, Decision No. 51582, dated June 9, 1955, providing for an interim surcharge of 5 percent applicable to all rates except Column "B" rates in Items Nos. 60 and 400 series of Minimum Rate Tariff No. 11-A. Subsequently, in response to

Petition No. 3 in this proceeding, the Commission, after hearing, in Decision No. 52916, extended the interim 5 percent surcharge to encompass all rates and charges contained in said tariff.

Public hearing was held on September 24, 1956, at Los Angeles before Examiner Jack E. Thompson for the purpose of receiving evidence relating to the modifications, adjustments and revisions alleged by petitioner to be necessary in order to provide just, reasonable and nondiscriminatory minimum rates for the transportation of uncrated new furniture.. At the hearing, petitioner stated that the carriers engaged in transporting property subject to Minimum Rate Tariff No. 11-A were not financially able to have prepared the cost studies and traffic analyses believed necessary to support the aforementioned modifications, adjustments and revisions. It was requested that the Commission's staff undertake the development of the cost studies and traffic flow analyses and that pending determination by the Commission of the adjustments and revisions found necessary as a result of those studies, that the present minimum rates be adjusted upwards sufficiently to offset wage increases and fuel tax increases occurring since the establishment of the present 5 percent surcharge.

Evidence relating to the proposed interim adjustment was received at the hearing and this phase of the proceeding was taken under submission October 3, 1956, upon the filing by petitioner of Exhibit No. 2-5.

Exhibit No. 2-3 shows the development of the increases in the cost of providing service as of November 1, 1956, resulting from wage increases, which carriers are obligated by contract to assume on that date, and increases in fuel taxes effective July 1, 1956, as compared to the costs of operation developed in Exhibit No. 1171 in Case No. 4808, which costs were the foundation of the level of the present rates set forth in Minimum Rate Tariff No. 11-A.

The following tabulation summarizes the increases in wages and fuel taxes as set forth in Exhibit No. 2-3 for carriers located in the Los Angeles area and the San Francisco Bay Area.

	<u>Percentage Increase</u>	
	<u>Los Angeles</u>	<u>San Francisco Bay</u>
Labor Cost per hour for -		
Terminal Employees	15.06	10.75
Local Drivers	15.82	11.56
Long Line Drivers	13.40	
Helpers	20.94 *	16.71
Cost of Fuel	4.00	4.00

* En route helper labor cost increases vary, ranging from 13.85% to 27.95%.

According to petitioner's exhibit, the aforesaid increased expenses have had the effect of increasing the total costs per 100 pounds for various lengths of haul as determined in Exhibit No. 1171 by as much as 11.9 percent on the short line operations. On the longer lengths of haul the increases ranged from 6.5 percent to 10.7 percent.

Exhibit No. 2-4 is a summary of the profit and loss statements of nine carriers predominantly engaged in transporting uncrated new furniture. It shows that for the period January 1, 1956, to June 30, 1956, seven carriers had operating ratios greater than 99 percent and the remaining one, which earned substantial revenues on transportation not subject to Minimum Rate Tariff No. 11-A, has an operating ratio of 90.7 percent.

It is proposed that the present 5 percent surcharge be canceled and that the minimum rates in the tariff be increased by various amounts, depending upon the minimum weight brackets and the lengths of haul. In general, the proposed Column "A" rates are 15 percent higher than the rates set forth in the tariff and the proposed Column "B" rates are 10 percent higher. As there is

presently in effect a surcharge of 5 percent, the proposed rates represent increases of slightly less than 10 percent and 5 percent, respectively.

Representatives of Sears, Roebuck and Company, Montgomery Ward, and the Furniture Manufacturers Association of Southern California stated they were not opposed to the granting of the proposed increases provided the rates were clearly designated as temporary and further provided that the Commission's staff undertake the preparation of the studies believed necessary for the establishment of reasonable and suitable minimum rates. The shippers indicated that the present minimum rate structure is not, in their opinion, reasonable or suitable because of recent changes in the method of the marketing and the tendering for transportation of new furniture. They were not opposing this petition for interim increases in rates because it was believed necessary in order to furnish the carriers additional revenues so as to assure the maintenance of adequate service.

Petitioner has shown that the carriers engaged in transporting property subject to the minimum rates contained in Minimum Rate Tariff No. 11-A are in serious need of additional revenues. The evidence presented by petitioner and the closing statement of the representatives of the shipper interests indicate that, at the present time, additional revenues can be obtained only through an interim increase in the minimum rates. The parties asserted that it is desirable to have the increases reflected in the rates themselves rather than by surcharges of various percentages. Upon consideration of all of the facts and circumstances of record, the Commission is of the opinion and finds that the proposed interim increases in the minimum rates are justified and are necessary to the maintenance of adequate transportation service.

The matter of an expiration date of the increased rates causes concern. The Commission's staff is engaged in the development of a number of studies in connection with other minimum rates. It may be some months until the cost studies and traffic analyses requested by petitioner and the shippers can be commenced. In view of this circumstance, an expiration date is not feasible; however, in order to clearly set forth the temporary nature of the increased rates, they will be designated in the minimum rate tariff as "Interim Rates".

SECOND INTERIM ORDER

Based on the evidence of record and on the findings and conclusions set forth in the preceding opinion,

IT IS ORDERED:

1. That Minimum Rate Tariff No. 11-A (Appendix A to Decision No. 50114, as amended) be and it is hereby further amended by incorporating therein, to become effective April 15, 1957, the supplement and the revised pages attached hereto and by this reference made a part hereof, which supplement and pages are numbered as follows:

Supplement No. 3 Cancels Supplement No. 2
Second Revised Page 6 Cancels First Revised Page 6
First Revised Page 7 Cancels Original Page 7
First Revised Page 10 Cancels Original Page 10
Second Revised Page 15 Cancels First Revised Page 15
First Revised Page 16 Cancels Original Page 16

2. That common carriers subject to the Public Utilities Act be and they are hereby authorized and directed to establish in their tariffs the increases necessary to conform with the adjustments herein provided, to become effective on or before April 15, 1957, on not less than five days' notice to the Commission and to the public.

That in all other respects said Decision No. 50114, as amended, shall remain in full force and effect.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 5th day of March, 1957.

[Signature]
President
[Signature]
[Signature]
[Signature]
[Signature]
Commissioners

SUPPLEMENT NO. 3
(CANCELS SUPPLEMENT NO. 2)
(SUPPLEMENT NO. 3 CONTAINS ALL CHANGES)

TO
MINIMUM RATE TARIFF NO. 11-A
NAMING
MINIMUM RATES, RULES AND REGULATIONS
FOR THE
TRANSPORTATION OF UNCRATED NEW FURNITURE
OVER
THE PUBLIC HIGHWAYS WITHIN THE
STATE OF CALIFORNIA
BY
RADIAL HIGHWAY COMMON CARRIERS
AND
HIGHWAY CONTRACT CARRIERS

SURCHARGE CANCELED BY DECISION NO. 54624

EFFECTIVE APRIL 15, 1957

Issued by the
Public Utilities Commission of the State of California
State Building, Civic Center
San Francisco, California

SECTION NO. 1 - RULES AND REGULATIONS (Continued)			Item No.																		
APPLICATION OF RATES																					
<p>Rates provided in this tariff are for the transportation of shipments from point of origin to point of destination, and include loading into and unloading from carrier's unit of equipment, subject to Note 1.</p> <p>Note 1. When the point of origin is other than a depot, an additional rate as provided below shall be added to the rates set forth in Section 3.</p> <p style="text-align: center;"><u>Rates in Cents Per 100 Pounds</u></p> <table border="1"> <thead> <tr> <th><u>Minimum Weight</u></th> <th><u>Column A(1)(4)</u></th> <th><u>Column B(2)(4)</u></th> </tr> </thead> <tbody> <tr> <td>Any Quantity</td> <td>74</td> <td>77</td> </tr> <tr> <td>500 Pounds</td> <td>64</td> <td>69</td> </tr> <tr> <td>2,000 Pounds</td> <td>61</td> <td>66</td> </tr> <tr> <td>4,000 Pounds</td> <td>46</td> <td>44</td> </tr> <tr> <td>6,000 Pounds</td> <td>(3)</td> <td>(3)</td> </tr> </tbody> </table> <p>(1) Column A rates apply to shipments not subject to Column B rates.</p> <p>(2) Column B rates apply only to shipments having point of origin in one of the following counties: San Francisco, San Mateo, Santa Cruz, Santa Clara, San Benito, Monterey, Alameda, Contra Costa, Marin, Sonoma, Solano and Napa.</p> <p>(3) No additional rate.</p> <p>Note 2. The rates provided in Note 1 shall be added to the rates set forth in Section 3 in connection with shipments transported for persons, companies or corporations upon whose premises, depots from which the transportation is performed are located.</p>			<u>Minimum Weight</u>	<u>Column A(1)(4)</u>	<u>Column B(2)(4)</u>	Any Quantity	74	77	500 Pounds	64	69	2,000 Pounds	61	66	4,000 Pounds	46	44	6,000 Pounds	(3)	(3)	<p>60-3 Cancels 60-A</p>
<u>Minimum Weight</u>	<u>Column A(1)(4)</u>	<u>Column B(2)(4)</u>																			
Any Quantity	74	77																			
500 Pounds	64	69																			
2,000 Pounds	61	66																			
4,000 Pounds	46	44																			
6,000 Pounds	(3)	(3)																			
ACCESSORIAL SERVICES																					
<p>When carrier performs any accessorial or incidental service which is not authorized to be performed under rates named in this tariff, and for which a charge is not otherwise provided, additional charges shall be assessed as provided in Item No. 90. The charge therein provided for unit of equipment shall apply whenever the accessorial or incidental service requires its use, or whenever the unit of equipment is inactivated by reason of its driver or helper being engaged in such service.</p>			70																		
DELAYS TO EQUIPMENT																					
<p>When consignor or consignee is responsible for delay to carrier's equipment at or in vicinity of either point of loading or point of unloading in excess of 30 minutes (exclusive of time actually involved in loading or unloading) additional charges for delay time in excess of 30 minutes shall be assessed as provided in Item No. 90.</p>			80																		

CHARGES FOR ACCESSORIAL SERVICES OR DELAYS

For accessorial services or delays under the conditions specified in Items Nos. 70 and 80, charges shall be assessed for each period or fraction thereof, as follows:-

	Charges in Cents		*90-A Can- cels 90
	For First 30 Minutes	For each Additional 15 Minutes	
(a) For driver, helper or other employee, per man	0139(4)	069(4)	
(b) For unit of equipment	50	25	

(4) Interim Rates
 * Change } Decision No. 54624
 ◊ Increase }

EFFECTIVE APRIL 15, 1957

Issued by the Public Utilities Commission of the State of California,
 San Francisco, California.
 Correction No. 4

First Revised Page ... 7

 Cancels

Original Page ... 7

MINIMUM RATE TARIFF NO. 11-A

SECTION NO. 1 - RULES AND REGULATIONS (Continued)	Item No.
<p style="text-align: center;">MINIMUM CHARGE</p> <p>(a) When the constructive distance from point of origin to point of destination does not exceed 150 miles the minimum charge per shipment shall be ϕ(1)\$2.02.</p> <p>(b) When the constructive distance from point of origin to point of destination exceeds 150 miles the minimum charge per shipment shall be ϕ(1) \$2.60.</p>	*100-A Cancels 100
<p style="text-align: center;">SHIPMENTS TRANSPORTED BY TWO OR MORE CARRIERS</p> <p>When shipments in continuous through movement are transported by two or more carriers, the rates (including minimum charges) provided herein from point of origin to point of destination shall be the minimum rates for the combined transportation.</p>	110
<p style="text-align: center;">SHIPMENTS TO BE RATED SEPARATELY</p> <p>Each shipment shall be rated separately. Shipments shall not be consolidated or combined by the carrier.</p>	120
<p style="text-align: center;">ALTERNATIVE APPLICATION OF COMMON CARRIER RATES</p> <p>Common carrier rates may be applied in lieu of the rates provided in this tariff, when such common carrier rates produce a lower aggregate charge for the same transportation and for the same accessorial services, than results from the application of the rates herein provided.</p>	130
<p>(1) Interim Rates</p> <p>*Change) ϕIncrease) Decision No. 54624</p>	
EFFECTIVE APRIL 15, 1957	
Issued by the Public Utilities Commission of the State of California Correction No. 5 San Francisco, California	

SECTION NO. 1 RULES AND REGULATIONS (Continued)					Item No.
COLLECT ON DELIVERY SHIPMENTS					
<p>(a) No carrier shall handle any C.O.D. shipment unless and until it has on file with the Commission a good and sufficient bond in such form as the Commission may deem proper, in a sum of not less than Two Thousand Dollars.</p>					
<p>(b) The bond required by paragraph (a) hereof, shall be filed by the carrier as principal and by some solvent surety company, authorized to do business in the State of California, as surety, payable to the State of California, and/or any person or persons to whom any amount may be due on any C.O.D. shipment transported by said carrier and not remitted to the person or persons to whom it is due within ten days after delivery of any such shipment; however, when the carrier has filed with any municipality or board thereof, pursuant to ordinance, a bond in a sum not less than Two Thousand Dollars payable to said board or municipality and/or any person or persons to whom any amount may be due on any C.O.D. shipment transported by said carrier and not remitted to the person or persons to whom it is due within ten days after delivery of any such shipment, the filing by such carrier of a certified copy of said bond with this Commission shall be deemed compliance herewith. Each bond filed pursuant to the foregoing shall specify the extent to which the carrier's operations are covered thereby and may cover more than one operative authority held by the same carrier. When a carrier with such a bond or bonds on file with the Commission obtains additional operative authority, said bond or bonds shall be revised or reissued to show whether or not the additional operative authority is covered thereby. No C.O.D. bond shall be cancelled on less than thirty days' notice to the Commission.</p>					*210-A Cancels 210
<p>(c) In the handling of C.O.D. shipments carrier shall, promptly upon collection of any and all C.O.D. moneys, and in no event later than ten days after delivery to consignee, unless consignor instructs otherwise in writing, remit to consignor all C.O.D. moneys collected by it on such shipments.</p>					
<p>(d) The charges for collecting and remitting the amount of C.O.D. bills collected on C.O.D. shipments shall be as follows:</p>					
When the amount collected is		◇Charge for collecting and remitting will be	When the amount collected is		◇Charge for collecting and remitting will be
Over	Not Over	(1)	Over	Not Over	(1)
\$	\$	\$	\$	\$	\$
2.50	2.50	.33	200.00	250.00	4.26
5.00	5.00	.39	250.00	300.00	4.13
10.00	10.00	.53	300.00	350.00	4.10
20.00	20.00	.56	350.00	400.00	4.70
25.00	25.00	.59	400.00	450.00	4.97
40.00	40.00	.69	450.00	500.00	3.26
50.00	50.00	.74	500.00	550.00	3.53
60.00	60.00	.94	550.00	600.00	3.81
80.00	80.00	.97	600.00	650.00	4.08
100.00	100.00	1.00	650.00	700.00	4.36
102.50	102.50	1.28	700.00	750.00	4.65
105.00	105.00	1.30	750.00	800.00	4.93
110.00	110.00	1.36	800.00	850.00	5.20
120.00	120.00	1.40	850.00	900.00	5.48
140.00	140.00	1.42	900.00	950.00	5.76
150.00	150.00	1.50	950.00	1,000.00	6.04
160.00	160.00	1.57	1,000.00		
180.00	180.00	1.61	at rate of 36.04 per \$1,000		
180.00	200.00	1.67			

(1) Interim Rates

* Change)

◇ Increase)

Decision No.

54624

EFFECTIVE APRIL 15, 1957

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.

Correction No. 6

SECTION NO. 3 - RATES

DISTANCE RATES IN CENTS PER 100 POUNDS (1)(5)

Item No.

M I L E S		Any Quantity		Minimum Weight 500 Pounds		Minimum Weight 2,000 Pounds	
But Not Over	Over	Column A(2)	Column B(3)	Column A(2)	Column B(3)	Column A(2)	Column B(3)
0	5	116	110	98	94	92	88
5	10	119	116	101	99	96	94
10	15	122	121	106	105	99	99
15	20	128	126	110	109	104	104
20	25	131	131	113	115	108	109
25	30	134	137	116	120	111	115
30	35	137	142	120	126	114	120
35	40	140	148	123	131	118	126
40	45	145	152	128	136	122	130
45	50	148	158	132	141	125	136
50	60	155	165	137	149	132	143
60	70	161	176	144	160	138	154
70	80	169	187	153	171	146	165
80	90	177	197	159	181	154	175
90	100	183	208	166	192	160	186
100	110	191	218	174	202	168	196
110	120	198	229	181	213	175	207
120	130	206	239	189	223	183	217
130	140	213	250	196	234	190	228
140	150	221	261	204	245	198	239
150	160	228	269	210	252	205	247
160	170	235	275	219	258	212	252
170	180	243	280	226	263	220	258
180	190	250	284	232	268	227	262
190	200	257	290	239	273	234	268
200	220	268	298	251	281	245	276
220	240	280	308	264	291	257	286
240	260	294	318	276	301	271	295
260	280	307	329	290	312	285	306
280	300	321	338	305	322	298	316
300	325	337	351	320	334	315	329
325	350	354	363	337	346	331	341
350	375	370	376	353	359	348	354
375	400	385	388	369	372	363	366
400	425	401	401	384	384	379	379
425	450	419	419	402	402	397	397
450	475	437	437	420	420	415	415
475	500	455	455	438	438	433	433
500	525	471	471	456	456	449	449
525	550	489	489	473	473	467	467
550	575	508	508	491	491	486	486
575	600	526	526	509	509	504	504
600	625	544	544	527	527	522	522
625	650	561	561	545	545	539	539
650	-	(4)	(4)	(4)	(4)	(4)	(4)

400-B
Cancel
400-A

- (1) Rates in this item apply only when point of origin is a depot. When point of origin is other than a depot, add to the rates provided in this item the additional rates, if any, provided in Item No. 60.
- (2) Column A rates apply to shipments not subject to Column B rates.
- (3) Column B rates apply only to shipments having point of origin in one of the following counties: San Francisco, San Mateo, Santa Cruz, Santa Clara, San Benito, Monterey, Alameda, Contra Costa, Marin, Sonoma, Solano, and Napa.
- (4) Add to the rate for 650 miles 17 cents per 100 pounds for each 25 miles or fraction thereof.

(5) Interim Rates

◊ Increase, Decision No. 54624

EFFECTIVE APRIL 15, 1957

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 7

First Revised Page ... 16
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MINIMUM RATE TARIFF NO. 11-A

SECTION NO. 3 - RATES (Continued)					Item No.
POINT-TO-POINT RATES IN CENTS PER 100 POUNDS (1)(2)(3)					
<u>Between</u>	<u>And</u>	<u>Any Quantity</u>	<u>Minimum Weight 500 Pounds</u>	<u>Minimum Weight 2000 Pounds</u>	
Los Angeles Territory	San Francisco Territory	397	380	375	
<p>(1) If charges accruing under rates in this item, applied on shipments from, to or between points intermediate between the Los Angeles and San Francisco Territories via routes shown in Item No. 500 are lower than charges accruing under the Distance Rates in Item No. 400, on the same shipment, such lower charges will apply. Rates in this item applied to intermediate points under these provisions apply at all points located within a distance of one actual highway mile on either side of the authorized route and at all points located within incorporated cities through which the highway route passes.</p> <p>(2) Rates in this item apply only when point of origin is a depot. When point of origin is other than a depot, add to the rates provided in this item the additional rates, if any, provided in Item No. 60.</p>					<p>◇ 410-A Cancels 410</p>
<p>(3) Interim Rates ◇ Increase, Decision No. 54624</p>					
EFFECTIVE APRIL 15, 1957					
<p>Issued by the Public Utilities Commission of the State of California, Correction No. 8</p> <p style="text-align: right;">San Francisco, California.</p>					